

December 15, 1958

MEMORANDUM OF CONFERENCE WITH THE PRESIDENT
December 12, 1958 - 2:30 PM

Others present: Secretary Dulles
Secretary Herter
Mr. Greene
Mr. Hagerty
General Goodpaster
Major Eisenhower



The purpose of this meeting was to discuss the draft of the statement to be made by the Secretary of State at the White House immediately preceding his departure for Europe to the NATO ministerial meeting.

The President's initial reaction, on reading the text of the draft, was to question the wording of the last paragraph, which began, "Because NATO meets these tests..." He felt the next to last paragraph, containing a set of conditions, to be truthful; but he tended to disagree with the implication that NATO is currently functioning smoothly. The President stated that he has worked hard for NATO himself, but that he becomes discouraged at the continuing pressure for the retention of sizeable U.S. forces. He pointed out that other countries are withdrawing forces, in spite of the fact that they are doing better financially than we at the moment; and yet when we mention withdrawing any portion of our forces, they protest vehemently. He pointed out the preeminent role played by our six-division (equivalent) force, and stated that it represents the only force being maintained as a respectable combat force in Western Europe.

The Secretary of State, while not disagreeing with this viewpoint, pointed out that Western Germany is making real progress in building its forces. Its start was initially slow; however, it has now reached the point where its army has eight divisions, and will have twelve by next year.

The President then pointed out areas in which he was dissatisfied with the current performance of NATO. He cited as an example that

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E.O. 12065, Sec. 3-204

MB80-196#1
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the British are selling generators in Mexico City at half the U.S. price. We, on the other hand, are losing our foreign trade because of our heavy defense expenditures at home, which come to a total of some \$45 billion, which is over 10% of our GNP. He further pointed out the failure of our allies to get together on such matters as the reply to Khrushchev's note of November 27 on Berlin. He cited the divergency of opinion between the British and French on timing, content, and other matters pertaining to our reply. On this matter, Secretary Dulles assured the President that the influence of the U.S. has not yet been brought to bear. Once our influence makes itself felt, according to the Secretary, we will have a united front in this area.

The President then addressed himself directly to the wording of the last paragraph of the statement. He approved the statement with the substitution of the words, "These are the ends which NATO serves...." in place of the former wording, "Because NATO meets these tests...."

(Upon completion of the text of the statement, Mr. Hagerty departed.)

The discussion of force levels for NATO continued. The President continued to review the responsibilities borne by the U.S. in the world. He stated that we should remind our NATO allies that the U.S. maintains the nuclear deterrent to general war under which they live; that we assist peripheral nations around the world; that we maintain two U.S. divisions in Korea; and that we maintain a capability to deal with crises such as Lebanon and Quemoy. Since we perform these air, naval, and ASW missions, our allies in Europe should at least provide the "immobile" forces which guard their own borders.

Secretary Dulles then pointed out that the United States is experiencing some shortfall in its MC 70 obligations; he asked Mr. Herter how much this shortfall is. To this Mr. Herter replied that our shortfall is not noticeable this year; however, in FY 1959 we must convert two battle groups to service troops in order to create the spaces for custody of atomic weapons for NATO forces. In actual spaces, we remain about level, although we must reduce some combat troops.

The President then reviewed his own experiences with regard to U.S. troop levels in NATO. He stated that in 1951 as SACEUR he, accompanied by General Goodpaster, had traveled through Europe insisting

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to the various European Governments that the maintenance of the equivalent of six U.S. divisions was an emergency measure only, and would be maintained only until the effects of the Marshall Plan could take hold, allowing the European economies to take over this responsibility. He added that he had thought at that time that five years would be a maximum (and that he was therefore considered by some governments to be quite unreasonable). The President continued to discuss the background of his current viewpoint on force levels, recalling that the Europeans at that time had feared that Germany might be permitted to maintain forces of too great strength for the common good. The U.S. and the U.K. had stood together on the matter of German rearmament. He had asked the Cabinets of the various NATO countries, during his initial round of visits in early 1951, who they thought their enemy was, the Russians or the Germans? At that time, the President had not been successful in convincing the Europeans that the Germans should be rearmed.

At this point Mr. Herter agreed that at the end of the year we should reassess the over-all philosophy of NATO, but at this time it would have a very unfortunate impact in the light of the Berlin situation. Secretary Dulles here mentioned certain cables from Ambassador Burgess on the subject of the Minimum Forces Study (MC 70). He reminded the President that MC70 is subject to annual review. This document was approved about a year ago, and concurred in by all the interested departments of the government.

The President then specified that he has no intention of running away from commitments. We should stick with MC 70, but we should ask the European governments to what extent they intend to continue leaning on the U.S. He then cited further areas in which he felt the European nations were not doing their duty, such as cutting length of universal service and French deployment of NATO divisions to North Africa. He asked why the Germans could not produce 20 instead of 12 divisions.

Secretary Dulles and Mr. Herter pointed out that Germany is currently restricted to 12 divisions by agreement; and that creation of 20 divisions by Germany would probably scare the French. The President retorted that he would be glad to scare them; maybe that

would have an effect on French pretentions at being a world power. He terminated the discussion with the thought that the concept of the inexhaustibility of America (despite its definitely useful aspects in the cold war) can no longer be realistically considered applicable.

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The discussion then turned to a message which Secretary Dulles had received from Chancellor Adenauer earlier in the day. (The letter had been summarized in the Daily Staff Summary, and the President was familiar with it.) As regards this letter, Secretary Dulles expressed the opinion that our best argument against the USSR is that the USSR has served notice that in six months they will unilaterally repudiate a four-power agreement, a thing which they have no right to do. In the light of the threatening nature of the November 27 Soviet note, Secretary Dulles does not recommend negotiations under these conditions. We can meet later, but in the meantime, the status quo must stand and be recognized.



The President stated, with respect to the Adenauer letter, only that he agreed on the separation of the subjects of Berlin and unification of Germany. He agrees that the issues are separate and distinct. Some discussion then transpired as to the situation in the British foreign office, with an effort to explain recent inconsistencies. The President was of the opinion that the British government is, at the moment, confused.

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Secretary Dulles then reminded the President that the Canadian-U.S. Defense Committee will meet in Paris during the NATO meeting. Secretary McElroy will be present for these talks.

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The discussion then proceeded to the subject of General De Gaulle. Secretary Dulles desired to point out that DeGaulle is becoming increasingly troublesome. To this the President offered the warning that De Gaulle is capable of the most extraordinary actions. He

recalled an instance during World War II in which De Gaulle had informed the President (then Supreme Commander, Allied Expeditionary Forces) that he (De Gaulle) would remove all French forces from SHAEF command. The President had, in the presence of Churchill, informed De Gaulle that such removal would be satisfactory since the Americans and British would win the war anyway. However, De Gaulle could expect not another round of ammunition nor support of any kind, and would therefore be reduced to impotency. This attitude is not recommended, of course, for adoption by the State Department under present circumstances, particularly in the light of De Gaulle's present position of power and influence. It is offered only as illustration of the type of action that De Gaulle is capable of. The President added to watch out for him.

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The final subject dealt with was that of regulation of oil imports. Secretary Dulles pointed out, in this respect, that the voluntary restrictions on oil imports will expire on 1 January. If we give the Congress the green light to transact legislation to equalize the price of oil imports, we are in trouble. In fact we might as well then cut off any talks we are having with Canada and Venezuela.



Mr. Herter here stated that the initial proposal to present this problem to Congress has been rescinded. All agree that this* would be a dangerous procedure. Mr. Herter's recommendation is that the President issue a temporary mandatory restriction on January 1. This will give us more time in which to negotiate further voluntary restrictions with the oil companies. This was agreed.

John S. D. Eisenhower
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*Referring to the proposal to send the problem to Congress.